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Foreign Crops and MARKETS

VOLUME 56 NUMBER 26

MILK PRODUCTION (Page 464)

U. S. Wheat and Flour Exports (Page 467)

International Rice Trade (Page 468)

LATE NEWS (Page 463)

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CONTENTS

Page

COTTON AND OTHER FIBER
Cotton-Price Quotations on Foreign Markets...... 474
Brazilian Production of Sisal and Minor Fibers... 474

FATS AND OILS
Philippine Copra Exports Decline................ 471
Netherlands Indies Copra Exports Gain........... 472
Malayan Copra and Coconut Oil Exports Increasing. 473

GRAINS, GRAIN PRODUCTS AND FEEDS
U. S. Wheat and Flour Exports Reach All-Time Record.................................... 467
International Trade in Rice Shows Gain.......... 468

LIVESTOCK AND ANIMAL PRODUCTS
Milk Production and Utilization in Principal Producing Countries........................ 464
The Current Hog Situation in Argentina.......... 470
Belgian Butter Price Seeks Free Market Level..... 478
The Current Argentine Dairy Situation........... 478

TOBACCO
United Kingdom Government Endorses U. K.-Southern Rhodesian Tobacco Purchase Agreement........... 477

TROPICAL PRODUCTS
Latin America's 1947 Coffee Exports Slightly Lower.. 477

Issued by the OFFICE OF FOREIGN AGRICULTURAL RELATIONS
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C.

LATE NEWS

Although the spring wheat acreage in the Soviet Union is reported to have increased by over 13 million acres this year, crop prospects are less favorable than last year becuase of the drought reported in the important Volga area early in June and the uncertain outlook in regions farther east. In the wheat regions of the Ukraine and North Caucasus from which most exports normally originate, the outlook continues to be good.

A report in the Soviet newspaper IZVESTIYA, from Kuibyshev, dated June 11, stated that, as a result of dry and exceptionally hot weather, the condition of winter crops (predominantly rye) and, especially of spring crops, in the Volga area, deteriorated considerably recently, and crop prospects are unfavorable. Some rain was reported subsequently. Much of the increase in the 1948 spring wheat acreage took place in this area and farther east, where the growing season is short, and crops were retarded by cool weather.

- - - -

Because of recent improvement in the meat supplies in France, the butcher shops will be open 5 days a week beginning June 21 in lieu of 3 full days as was the practice prior to the above date. Improvement in meat supplies to French cities and the anticipated lessening of consumer demand during the warm weather were factors that made it possible to permit shops to open for 5 days.

As a result of some animals being grass-fattened this spring, there has been heavier marketing of cattle and sheep than is usual during May. This movement to market is reported to occur normally in June and July.

(Continued on Page 479)

MILK PRODUCTION AND UTILIZATION IN PRINCIPAL PRODUCING COUNTRIES

Milk production in a number of European countries declined in 1947 compared with a year earlier, largely because of fairly widespread drought conditions. The decline in the output in most countries during the latter part of the year was much greater than usual, and in several countries production for the year was below 1947. Favorable producing conditions prevailed in the Southern Hemisphere and milk output in New Zealand regained considerable part of the loss of the previous season. Otherwise, no marked changes took place in countries for which adequate data exist on milk production and utilization.

Fewer milk cows in most of the countries reporting also account for part of the lower milk production in 1947. In late 1947 in Europe, some downward adjustment in cattle numbers to the reduced feed supplies will tend to bring the milking herds in 1948 to levels even below 1947. Any improvement that occurred in supplies of concentrate feeds from exporting countries from the 1947 harvest was more than offset by reduced domestic feed supplies in most European countries. Notwithstanding some drop in milk output per cow in 1947 in such countries as Denmark, Netherlands, Sweden, Switzerland and the United Kingdom, these countries still surpass the United States in average production per cow.

Fluid-milk consumption dropped off in 1947 in several countries, thus tending to result in nearly as high supplies of milk for manufactured uses as existed in 1946. In countries where food supplies were still short, especially protective foods of animal origin, as large or larger quantities were consumed as fluid milk.

Changes in quantities of milk utilized in the manufacture of various products in 1947 as compared to 1946 followed no consistent pattern. Situations in individual countries with respect to food supplies, governmental control, and comparative returns from various uses determined the specific utilization in each country. Thus, the demand for butter as a table fat in Canada caused a shift of milk away from cheese and fluid milk to butter production. In Belgium, butter also was the more remunerative outlet, whereas in Denmark and Switzerland cheese output was maintained at the expense of butter. Price adjustments during the year in fluid milk in relation to butter and other products in some countries brought a shift not discernible in the annual figures.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report, the Committee was composed of Joseph A. Becker, Chairman, Floyd E. Davis, Regina M. Murray, Lois E. Bacon, Karen J. Friedmann, and Mary E. Long.

(Tables on following pages)

MILK: Production and utilization in specified countries, 1947 (preliminary) and 1946

Country	Production			Utilization a/					
	Milk cows b/	Production per cow	Milk production	Fluid milk c/	Butter	Cheese	Canned milk	Other uses d/	Feed
	1,000 head	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1947									
Canada	3,697	4,656	17,214	4,163	8,133	1,376	1,002	1,723	817
United States	23,871	5,000 e/	122,192	57,295	32,718	12,030	7,670	9,251	3,228
Belgium	780	6,923	5,400	1,747	3,086	104	4	9	450
Denmark	1,538	5,886	9,052	1,530	6,197	569	88	117	551
France	6,875	3,345	23,000	5,500	8,300	2,600	- f/	156	6,444
Netherlands	1,326	5,985	7,936	3,223	2,900	1,193	176	91	353
Norway	795	3,577	2,844	1,517	868	216	- f/	45	198
Sweden	1,803	5,561	10,026	3,600	5,066	516	-	128	716
Switzerland g/	822	5,281	4,475	2,241	662	868	34	31	639
United Kingdom	3,550	5,196	18,447	15,038	913	392	394	340	1,370
Australia h/	2,227	4,909 i/	10,933	2,362	6,906	940	279	446	-
New Zealand j/	1,658	5,469 k/ l/	9,067	667	6,244	1,822	- f/	111	178
1946									
Canada	3,711	4,569	16,956	4,254	7,632	1,668	851	1,740	811
United States	24,475	4,891 m/	122,539	59,318	30,003	10,952	7,267	11,744	3,255
Belgium	791	6,827	5,400	1,879	2,923	137	4	7	450
Denmark	1,594	6,369	10,152	1,883	6,969	580	68	101	551
France	6,844	3,244	22,200	4,848	8,361	2,421	- f/	114	6,456
Netherlands	1,279	6,104	7,807	3,200	2,900	1,218	79	15	395
Norway	801	3,313	2,654	1,455	756	189	- f/	56	198
Sweden	1,818	5,712	10,384	3,490	5,402	679	-	141	672
Switzerland g/	815	5,668	4,762	2,180	877	937	33	29	706
United Kingdom	3,534	5,334	18,849	14,987	1,146	578	533	235	1,370
Australia h/	2,254	4,924 i/	11,098	2,274	7,229	922	257	416	-
New Zealand j/	1,662	5,000 k/ n/	8,311	669	5,384	1,851	- f/	116	164

Office of Foreign Agricultural Relations. Prepared from official statistics, United States Foreign Service reports, and other information.

a/ Includes farm uses. b/ Includes, for the United States and Canada, cows kept mainly for milk, and for all other countries, cows producing over and above the requirements of the calf. c/ Includes milk used for cream. d/ Includes milk used for ice cream, dried whole milk, minor products, waste and balance. e/ Total production is shown. Production on farms, 119,366 million pounds. f/ Includes canned milk. g/ Production and utilization include goats' milk. h/ Year ending June 30. i/ Excludes milk fed to calves. j/ Year ending July 31. k/ Utilization of butterfat converted to milk equivalent on the basis of 4.5 percent fat content. l/ Revision reported in total milk production, but not in utilization, which accounts for only 9,022 million pounds. m/ Total production is shown. Production on farms, 119,713 million pounds. n/ Revision reported in total milk production, but not in utilization, which accounts for only 8,184 million pounds.

MILK: Production and utilization in specified countries, 1934-1938

Country	Production			Utilization a/					
	Milk cows b/	Productions per cow	Milk production	Fluid milk c/	Butter	Cheese	Canned milk	Other uses d/	Feed
	1,000 head	Pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Canada	3,816	4,138	15,789	4,645	8,197	1,411	273	472	791
United States	23,933	4,291	e/ 105,416	43,559	43,129	6,449	4,607	4,333	2,739
Austria f/	1,210	4,630	5,602	3,068	1,212	661	-	-	661
Belgium	967	7,022	6,790	1,433	4,321	163	15	42	816
Denmark	1,658	7,047	g/ 11,684	1,433	9,314	331	-	h/ 55	551
Finland	1,309	4,268	5,587	2,556	2,735	205	-	-	91
France i/	8,022	3,921	31,457	7,932	10,933	4,864	-	h/ 200	7,528
Germany	10,076	5,270	g/ 53,100	16,100	28,100	2,400	-	500	6,000
Italy	3,466	3,968	j/ 13,750	3,700	2,700	3,600	24	626	3,100
Netherlands	1,460	7,658	11,180	2,321	5,536	2,291	-	h/ 520	512
Norway	807	3,660	g/ 2,954	1,124	1,111	489	-	k/ 53	177
Sweden	1,922	5,327	g/ 10,238	3,283	5,170	782	-	h/ 44	959
Switzerland	902	6,697	g/ 6,041	2,125	1,497	1,303	-	b/ 49	1,067
United Kingdom	3,300	5,583	18,424	11,100	2,800	1,008	647	686	2,183
Australia k/	2,545	4,629	l/ 11,780	1,612	9,466	444	m/ 258	-	-
New Zealand	1,807	5,232	n/ 9,454	532	6,922	1,754	-	h/ 57	189

Office of Foreign Agricultural Relations. Prepared from official statistics, United States Foreign Service reports, and other information.

a/ Includes farm uses. b/ Includes, for the United States and Canada, cows kept mainly for milk, and for all other countries, cows producing over and above the requirements of the calf. c/ Includes milk used for cream. d/ Includes milk used for ice-cream, dried whole milk, minor products, waste and balance. e/ Total production is shown. Milk production on farms, 102,590 million pounds. f/ For the year 1934. g/ For the years 1933-1937. h/ Includes canned milk. i/ For the years 1937 and 1938. j/ For the year 1938. k/ For the years ending June 30. l/ Excludes milk fed to calves. m/ Includes dried whole milk. n/ Utilization of butterfat converted to milk equivalent on the basis of 4.5 percent fat content.

COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS, AND FEEDS

U. S. WHEAT AND FLOUR EXPORTS REACH ALL-TIME RECORD

Preliminary data indicate that a new all-time peak has been set for wheat and flour exports from the United States. During the first 11 months (July-May) of the 1947-48 marketing season, exports reached a total of approximately 442 million bushels during the corresponding 11 months of the 1946-47 season.

The program for June, the last month of the season, provides for shipments of more than 40 million additional bushels. On that basis, total exports of wheat and flour for the year will exceed 480 million bushels, the largest quantity ever sent into export channels by this or any other country during any single year. Last season's (1946-47) shipments, not including those to U. S. possessions, amounted to 394.1 million bushels. Previously, the largest quantity of wheat and flour shipped from any country in any marketing year was the 407.6 million bushels exported by Canada in 1928-29.

During the war, distribution of United States grain and grain products to lend-lease countries and to our armed forces abroad was handled exclusively by the United States Government. Since the end of the war the Government has made as much use as possible of commercial facilities but complete transfer to private trade of the purchasing and handling of export grain was impossible for three reasons: (1) continued food shortages in Europe and Asia and the urgent necessity of expediting a maximum flow of grain and grain products to needy areas; (2) the relatively limited transportation and export facilities available for that purpose; and (3) the need for protecting our domestic consumers and economy from the danger of an excessive drain on available supplies.

As in preceding postwar years, therefore, the bulk of the huge quantity of United States wheat and flour and other grain and grain products shipped to overseas areas for food relief during 1947-48 was handled by the United States Government through the coordination of purchases by the Commodity Credit Corporation and the management and utilization of transportation, storage and port facilities by the Production and Marketing Administration of the U. S. Department of Agriculture.

Four major responsibilities are discharged by the CCC and PMA in the grain export program: (1) grain and grain products are purchased from private commercial interests against over-all allocations: (2) these products are moved from interior elevators or storage points to ports of export; (3) contracts are made with foreign claimants or with other United States Government agencies for the sale of the commodities; and (4) necessary arrangements are made for the prompt loading of vessels chartered by the United States Army or by foreign claimants from the large supplies held at ports.

Important factors in the success of the 1947-48 program were (1) securing a sufficient number and controlling the movement of freight cars to move wheat from harvesting areas and interior storage points to ports,,and (2) coordinating the transportation of grain and grain products to prevent congestion of storage facilities both at interior and seaboard points. Through its handling of grain for food relief purposes abroad the United States Government has been in a position to maintain a maximum pipeline flow of grain from interior points to ports, prevent congestion at ports by shifting vessels from one port to another, expedite shipments to countries where the need was greatest by preventing tie-ups of available supplies and export facilities by less needy countries, and control export sales in accordance with actual allocations.

INTERNATIONAL TRADE IN RICE SHOWS GAIN

Estimates of world rice supplies available for export during 1948 show a marked improvement over 1947, and it now appears the trade in rice will be larger than forecast earlier in the season. Despite the gain over 1947, however, total availabilities are not expected to exceed 50 percent of prewar (1936-40) exports.

World export supplies in 1948 are now estimated in the office of Foreign Agricultural Relations at approximately 4,100,000 short tons, and increase of 38 percent over 1947 exports of 2,960,000 tons, and 94 percent over 1946 trade of 2,100,000 tons. This shows a pronounced gain over 1946, when world rice trade was less than 25 percent of the prewar 8,700,000 tons.

Excluding shipments of the prewar Japanese colonies, Korea and Formosa, and postwar shipments of Formosa to China, the 1948 rice trade of the other countries of the world is expected to be about 55 percent of the prewar average.

The most important increase in export supplies occurred in Asia's surplus area, Burma, Siam, and French Indochina. Burma's acreage increased 1,370,000 acres over the year before and 2,170,000 acres over the lowest wartime acreage of 1945-46. The combined factors of favorable weather and production partly on lands that were idle during the war resulted in above-average yields per acre. The export surplus, therefore, is estimated to be nearly double 1947 exports, and about 50 percent of prewar trade.

Some acreage increase occurred in Siam, and favorable weather for the first time in three seasons resulted in a further gain in production. Estimates of the export surplus vary from 660,000 to 880,000 short tons.

In French Indochina, weather was generally favorable also for rice production. Available information indicates a moderate increase may have taken place in acreage, that yields per acre were probably about average, and were higher than in 1947. Estimates of export supplies in that country range from 100,000 to 300,000 tons, Exports during the first quarter were larger than in the corresponding period of 1947, but the exports of 1948 will depend on political conditions in the country, which have shown little improvement. However, exports probably will exceed the small trade of 1947.

RICE: World exports in terms of milled, averages 1931-40, annual 1945-48 a/

Continent and country	Average 1931-1935	Average 1936-1940	1945	1946 b/	1947 b/	1948 prel. est.
	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons	1,000 Sh. tons
WESTERN HEMISPHERE:						
North America:						
Mexico	8	9	c/	c/	10	27
United States	65	107	253	387	490	490
Total No. America d/	73	116	258	391	505	525
South America:						
Brazil	55	42	98	168	273	235
British Guiana	24	17	23	25	22	20
Chile	-	-	47	39	3	0
Ecuador	11	13	33	74	68	50
Surinam	2	6	c/	0	8	0
Uruguay	-	2	c/	1	2	11
Total So. America d/	92	80	204	345	376	315
Total W. Hemisphere	165	196	462	736	881	840
ASIA:						
Burma	3,493	3,268	111	480	887	1,625
French Indo China	1,439	1,610	36	109	47	125
Siam	1,648	1,460	215	492	423	750
Korea	1,301	1,061	0	0	0	0
Formosa	639	709	0	0	440	300
Iran e/	43	29	45	66	63	60
Total Asia d/	8,567	8,144	407	1,149	1,865	2,860
EUROPE:						
Italy	166	168	0	0	0	15
Spain	35	-	f/ 6	f/ 7	f/ 5	f/ 5
Total Europe d/	201	170	6	7	5	20
AFRICA:						
Angola	-	c/	3	4	2	2
Egypt	72	132	148	161	181	315
Madagascar	-	6	13	6	1	0
Total Africa d/	82	156	170	185	190	325
Australia	6	13	29	28	19	20
World Total	9,021	8,679	1,074	2,105	2,960	4,065

Compiled from official sources, International Yearbook of Agricultural Statistics, and for 1948 based on allocations of International Emergency Food Committee and reports of foreign-service officers.

a/ Net exports, except for 1948 and postwar years where net trade is not yet available. b/ Preliminary. c/ Less than 500 tons. d/ Net exports from exporting countries only and should not be considered as net exports of the continents. e/ July 23-July 22 year. f/ To Spanish African territory.

Formosa's annual production in 1947 for the first time since the war permitted a surplus for export. The volume shipped to China is not definitely known, but shipments of at least 440,000 tons in 1947 have been reported. The yields of the first crop of 1948, representing about 45 percent of the total, are expected to be comparable with the good first harvest of 1947, and 300,000 tons is a conservative extimate of 1948 export supplies unless the second crop is considerably less than average.

The expanded 1947 production of Egypt resulted in a surplus markedly above average. Because of other cereal shortages, part of rice surplus has been substituted for wheat in flour milling. The remaining quantity however, is considered ample for record exports.

The export supplies of the Western Hemisphere are about 3 percent below 1947. United States deliveries may about equal last year's record, provided the 1948 yields are up to average. Mexico's exports are expected to approximate the previous record of 26,000 tons in 1942.

Large carry-over supplies in Brazil and Ecuador resulted in only a moderate decrease in the export availabilities of South American countries in 1948. Production there dropped 18 percent below that of the year before. Only in Uruguay are export supplies larger than in 1947.

LIVESTOCK AND ANIMAL PRODUCTS

THE CURRENT HOG SITUATION IN ARGENTINA

Hog marketings in Argentina during May increased 25 percent over April. This seasonal increase is somewhat below that anticipated by some tradesmen. The market was said to be very irregular.

Marketings in May at the Liniers stockyards, one of the principal markets, reached 60,580 head, compared with 62,953 a year earlier. These receipts represent about 80 percent of the commercial slaughter at that point.

The large-scale hog production by the large producers has not been revived and continues to be curtailed. The general feeling is that there is little official interest in stimulating or maintaining the hog business. Producer groups have asked for assistance in the form of a temporary subsidy to encourage a shift to bacon-type hog production, pending the revival of the British market, but there has been no action so far.

There is some feeling in trade circles that hog producers may be holding back some stock in expectation that ECA countries may come into the Argentine market. At this time, the future for the hog business appears uncertain and the export market erratic and unpredictable.

(Continued on Page 478)

FATS AND OILS

PHILIPPINE COPRA EXPORTS DECLINE 1/

Philippine copra exports, of 42,826 long tons during May, were smaller than in any other month since June 1947. The January-May total is 300,744 tons, 30 percent less than in the corresponding months of last year.

May shipments of coconut oil amounted to 2,108 tons (3,243 as copra). The United States (Atlantic Coast) received 2,082 tons and Arabia 26. January-May shipments of 13,282 tons equaled 60 percent of the 12 months of 1947.

PHILIPPINE ISLANDS: Copra exports, May 1948 with comparisons
(Long tons)

Country a/	Copra distribution				
	Average 1935-39	1947 b/	JAN-APR 1948 b/	MAY 1947 b/	MAY 1948 b/
United States (total)	206,801	585,620	139,996	43,204	34,976
Atlantic Coast	---	116,034	16,631	14,240	2,000
Gulf Coast	---	77,155	25,310	2,146	5,184
Pacific Coast	---	392,431	98,055	26,818	27,792
Canada	---	16,607	11,549	---	2,500
Mexico	7,260	1,500	---	---	---
Panama Canal Zone	---	1,009	1,361	---	---
Columbia	---	5,300	850	4,000	---
Venezuela	---	7,862	---	---	---
Austria	---	6,000	---	---	---
Belgium	10	10,306	1,000	---	---
Czechoslovakia	---	7,676	---	2,800	---
Denmark	6,025	44,823	13,509	11,900	---
France	24,589	73,232	27,419	3,260	1,000
Bi-Zonal Germany	7,309	11,220	4,850	---	500
Italy	4,079	26,076	8,050	3,500	---
Netherlands	28,415	7,962	---	2,000	---
Normany	91	15,719	997	---	3,100
Poland	---	21,762	20,000	---	---
Sweden	4,183	11,898	3,998	1,500	750
Switzerland	---	12,379	---	---	---
United Kingdom	80	24,250	---	2,000	---
Yugoslavia	---	13,283	---	---	---
India	---	13,200	---	---	---
Japan	1,047	16,100	18,339	---	---
Palestine	---	7,510	---	---	---
Egypt	1,271	3,560	---	---	---
French Morocco	---	6,050	---	2,000	---
Union of South Africa	---	16,579	---	---	---
Others	8,678	949	6,000	---	---
Total	299,838	968,432	257,918	76,164	42,826

American Embassy, Manila

a/ Declared destination. b/ Subject to revision.

1/ A more extensive statement regarding Far Eastern copra may be obtained from the Office of Foreign Agricultural Relations.

Copra buying prices in Mid-June ranged from 60 to 62 pesos per 100 kilograms ($305 to $315 per long ton) in Manila, and 55 to 61 pesos ($279 to $310) in producing areas. Coconut oil was selling 1.05 to 1.10 pesos per kilogram ($533 to $559 per long ton).

NETHERLANDS INDIES COPRA EXPORTS GAIN

Netherlands Indies May copra shipments of 23,223 long tons exceeded those of any previous month in 1948. The total for the 5 months is 76,941 compared with 69,854 during the same period in 1947. These figures do not include copra and coconut oil that went to Singapore. June copra exports are expected to be approximately 27,000 tons.

NETHERLANDS INDIES: Copra exports, May 1948 with comparisons
(Long tons)

Country	Copra distribution				
	Average		Jan-Apr	May	
	1935-39	1947 a/	1948 a/	1947a/	1948 a/
Mexico	12,614	---			
United States	3,909	1,546			
Czechoslovakia	4,896	5,000			
Denmark	72,375	7,999			
France	12,748	4,000	2,000		
Germany	64,674	---			
Italy	23,103	---			
Netherlands	133,841	114,157	48,718	6,551	19,223
Norway	31,810	5,469			
Sweden	6,886	3,200	3,000		2,000
Switzerland	17	2,082			2,000
Lebanon	--	1,525			
Singapore	107,285	---			
Union of South Africa	--	5,249			
Others	33,227	---			
Total	507,385	b/150,227	b/ 53,718	b/6,551	b/23,223

Copra Board, Batavia

a/ Subject to revision.

b/ Does not include unrecorded shipments to Singapore.

January-May copra production amounted to 104,374 tons, 40 percent greater than in the same months of 1947. Deliveries of 4,400 tons of copra to oil mills were the largest since February. Stocks at the end of May totaled 34,841 tons, 29,428 in East Indonesia, 2,264 in West Borneo, and 3,149 in Java.

MALAYAN COPRA AND COCONUT OIL EXPORTS INCREASING

Malayan copra exports of 2,305 long tons in March were the largest since trade was resumed in 1946. Total for the first quarter was 4,590 tons compared with 1,644 in January-March 1947. March coconut oil shipments were 4,246 tons (6,740 as copra). The total for the 3 months is 13,479 tons (21,395 as copra), 29 percent greater than in the same period of 1947. Europe was the principal destination of both commodities. Commercial copra production averaged 15,660 tons monthly during the first quarter of 1948, and coconut oil output 8,500 tons.

MALAYA: Copra and coconut oil exports and imports, March 1948 with comparisons
(Long tons)

Country	Copra distribution				
	Average 1935-39	1947 a/	January-March 1948 a/	March 1947 a/	March 1948 a/
Exports					
United Kingdom	57,750	6,119	475	50	100
Other European countries	118,490	-	4,115	-	2,205
Other British possessions	3,242	-	-	-	-
Hong Kong	-	999	-	-	-
Other countries	12,209	-	-	-	-
Total	191,691	7,118	4,590	50	2,305
Imports					
British possessions	10,617	582	382	60	255
Netherlands Indies	105,500	51,877	18,262	3,407	7,073
Other countries	2,134	147	12	65	--
Total	118,251	52,606	18,656	3,532	7,328

Country	Coconut-oil distribution				
	Average 1935-39	1947 a/	January-March 1948 a/	March 1947 a/	March 1948 a/
Exports					
United Kingdom	8,857	27,248	2,753	1,483	615
Other European countries	2,522	643	5,625	-	1,405
Other British possessions	24,011	255	1,194	59	1,179
Burma	b/ 3,907	6,674	320	999	80
Hong Kong	b/ 1,391	5,763	2,805	454	832
Netherlands Indies	2,557	2,357	63	368	28
Other countries	3,864	234	719	-	107
Total	47,109	43,174	13,479	3,363	4,246
Imports					
British possessions	16	242	98	-	14
Netherlands Indies	328	1,853	1,547	47	1,065
Other countries	229	50	-	-	-
Total	573	2,145	1,645	47	1,079

Compiled from official sources.
a/ Subject to revision.
b/ 2-year average

COTTON AND OTHER FIBER

COTTON-PRICE QUOTATIONS ON FOREIGN MARKETS

The following table shows certain cotton-price quotations on foreign markets, converted at current rates of exchange:

COTTON: Spot prices in certain foreign markets, and the U.S. gulf-port average

Market location kind, and quality	Date 1948	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound
Alexandria		Kantar			
Ashmouni, Good	6-17	99.05 lbs.	Tallari	79.00	65.91
Ashmouni, F.G.F	"	"	"	(not quoted)	
Giza 7, Good	"	"	"	(not quoted)	
Giza 7, F.G.F	"	"	"	(not quoted)	
Karnak, Good	"	"	"	99.50	83.02
Karnak, F.G.F	"	"	"	(not quoted)	
Bombay		Candy			
Jarila, Fine	"	784 lbs.	Rupee	700.00	26.94
Broach, Fine	"	"	"	890.00	34.25
Sind American, Fine	"	"	"	(not quoted)	
Punjab " 289-F, Fine	"	"	"	(not quoted)	
Kampala, East African	"	"	"	(not available)	
Buenos Aires		Metric ton			
Type B	6-18	2204.6 lbs.	Peso	3150.00	42.54
Lima		Sp. quintal			
Tanguis, Type 5	6-17	101.4 lbs.	Sol	* 245.00	37.17
Pima, Type 1	"			283.00	42.93
Recife		Arroba			
Mata, Type 4	6-18	33.07 lbs.	Cruzeiro	170.00	27.97
Sertao, Type 4	"	"	"	180.00	29.61
Sao Paulo					
Sao Paulo, Type 5	"	"	"	186.50	30.68
Torreon		Sp. quintal			
Middling, 15/16"	"	101.4 lbs.	Peso	170.00	34.49
Houston-Galveston-New Orleans Av., Mid. 15/16"	"	Pound	Cent	XXXXXXX	36.80

Quotations of foreign markets reported by cable. U.S. quotations from designated spot markets.

* Nominal.

BRAZILIAN PRODUCTION OF SISAL AND MINOR FIBERS

Brazil is rich in the number of native and cultivated fibers which grow within her boundaries. Cotton is the most important of these, but jute, flax, silk, and other well-known fibers are also produced in varying quantities. However, many native fibers are used domestically and some are exported in small quantities. Sisal is one of the most recently introduced fibers of world importance to enter into the export trade of Brazil.

Sisal production in Brazil amounted to about 33 million pounds in 1947, according to trade sources, and may reach about 44 million pounds in 1948. Production was negligible before World War II. The first commercial crop was reported at approximately 176,000 pounds in 1939. By 1941 a total of 5,782 acres of sisal was reported under cultivation in Paraiba, Bahia, Sao Paulo, and Sergipe, and also in small plantings in Ceara, Pernambuco, Minas Gerais, Rio de Janeiro, and Parana. However, production in 1941 was reported at less than 35,000 pounds.

Exports of sisal were negligible, if any, prior to 1946. A total of 6 million pounds was exported in 1946 and probably close to 33 million pounds in 1947, but foreign demand was reported to be declining in the first quarter of 1948. About 12,600,000 pounds of sisal were exported to France in 1947, about 3,300,000 pounds to Argentina (the destination of 90 percent of the total in 1946), and much of the balance to European countries.

Wholesale prices of sisal averaged about 18.2 cents per pound in 1945 but declined through succeeding years to an average of only about 14.1 cents per pound during January-March, 1948.

Caroa grows wild over an area of approximately 20 million acres, principally in Pernambuco, Bahia, Paraiba, Alagoas, Ceara, and Piaui, but is harvested commercially in significant quantities in only the first three states named. It is used principally in bagging material, but also in the manufacture of textiles, paper, and light rope.

Fiber production amounted to little more than 900,000 pounds in 1938, but increased during the war years to 23.3 million pounds in 1944 then decreased to possibly less than 15.5 million pounds in 1947. Production in 1948 is unofficially estimated at about the same as in 1947.

Exports increased with greater production from 146,000 pounds in 1938 to 14.1 million in 1944, then decreased to 7.3 million in 1947. About 84 percent of the total was exported to the United States in 1946 but only 24 percent in 1947. In the latter year France accounted for 41 percent or about 3 million pounds and Argentina for 28 percent or more than 2 million pounds.

Peak consumption exceeded 13.3 million pounds in 1944, but has decreased considerably since jute from India has become available again in larger quantities. The price of caroa fiber averaged about 5.7 cents per pound in 1945 but increased to about 8.6 cents per pound in 1947, then declined to 7.9 cents during the first three months of 1948.

Piassava is a fiber obtained from varieties of palms which grow extensively from the coastal region of Bahia to the upper Amazon valley, but it is harvested commercially only near the export markets. The fiber is used in the manufacture of brooms, door mats, scrub brushes, and other coarse brushes. Production has been quite steady at around 12 to 13 million pounds annually during the past eleven years.

Exports during the same period have ranged between a low of 7.1 million pounds in 1947 and a high of 12.2 million in 1945. The 10-year average for 1938-47 was 8.3 million pounds exported. The United States was the principal destination in 1946, accounting for 3.3 million pounds out of total exports of 9.9 million. Belgium and Luxemburg accounted for 2.3 million, Great Britain for 1.4 million and other European countries for practically all of the remainder. Last year 3 million pounds were exported to Great Britain out of a total of 7.1 million, and only about 800,000 pounds each were shipped to Belgium and the United States.

The average price of piassava increased from 7.3 cents per pound in 1945 to 16.6 cents in 1947, then declined to 14.7 cents during the first quarter of 1948.

Many other fibers are produced in Brazil in relatively small quantities. Guaxima, which is also known as mallow, is obtained from both cultivated and wild stands. The crop has ranged from 3.3 to 11.0 million pounds during the past seven years, and between 8 and 9 million pounds are expected in 1948. Practically all of the guaxima is consumed domestically in the manufacture of burlap. It is usually combined with other fibers.

Uacima is used in the manufacture of burlap, ropes, and twine. About 75 percent of the crop in 1947 was harvested in Para and the remainder in Maranhao and Amazonas. Production increased from around 2 million pounds in 1938 to close to 8 million in 1945, but has declined in recent years. The 1948 crop may exceed 4 million pounds. Very little of the crop is exported.

Ramie has been grown successfully in Espirito Santo, Santa Catarina, and Parana, but the principal production is in Sao Paulo. Between 6 and 7 million pounds were produced in 1943, about 10 million in 1944, but only about 1.5 to 3.5 million pounds annually from 1945 to 1947. The 1948 crop may be about 2.5 million pounds. Lack of satisfactory machinery for extracting the fiber is reported to be the principal cause for the decline in production.

Tucum fiber is extracted from several species of palm, and is used domestically in the manufacture of fishing nets and lines. It has exceptional breaking strength. It grows wild in northeastern Brazil. Less than 50,000 pounds of tucum fiber is harvested annually and practically all of it is consumed locally. Approximately 9,000 pounds were exported to Portugal in 1946 and about 7,000 pounds in the first ten months of 1947.

Kapok production has exceeded a million pounds only once in the past ten years. About 1.5 million pounds were produced in 1944, but since then each succeeding crop has been smaller than the preceding one. The 1948 crop is not expected to exceed 250,000 pounds. Production depends almost entirely on the export market because very little of the crop is consumed locally. Sweden and Argentina furnished the principal markets in the past two years.

TOBACCO

UNITED KINGDOM GOVERNMENT ENDORSES U.K.-SOUTHERN RHODESIAN TOBACCO PURCHASE AGREEMENT

In a recent statement in the United Kingdom House of Commons, Sir Stafford Cripps, Chancellor of the Exchequer, stated that the agreement between United Kingdom manufacturers and Southern Rhodesian tobacco growers is an improvement over duty preferences as a means of insuring a market for Southern Rhodesian tobacco.

"I think that is the only way and much the best way of substituting what used to be done by a large preference," he said.

The agreement referred to assures Southern Rhodesian tobacco growers a market in the United Kingdom for two-thirds of their record 1947-48 flue-cured tobacco production of 70,000,000 pounds and a high percentage of the four succeeding crops. (See Foreign Crops and Markets, Vol. 56, No. 16, April 12, 1948).

It is reported that the agreement was worked out between the growers and the manufacturers under the auspices of the United Kingdom Board of Trade and that it is subject to year to year revision. It presumably assures Southern Rhodesian growers a market for their surplus of flue-cured tobacco, regardless of price differences between it and tobacco from the United States and other non-Empire sources. The agreement, insofar as Southern Rhodesian flue-cured tobacco is concerned, nullifies the improvement in the position which United States tobacco growers had obtained through percentage reductions in the duty preference.

The United Kingdom's duty preference for tobacco from Empire sources, when originally imposed in September 1919, amounted to 16.7 percent of the duty charged on tobacco from the United States and other non-Empire sources. As a result of an increase in the amount of the preference it later became 25 percent of the full duty, but, following a reduction in April 1943, in the amount of the preference obtained under the United States-United Kingdom Trade Agreement and radical increases in the duty on tobacco, the preference now amounts to less than 2 percent of the full duty.

A shortage in dollar exchange in the United Kingdom has tended to insure a market for Empire tobacco in spite of the reduction in the percentage of duty preference. United States loans and grants to the United Kingdom should make it easier for that country to carry out policies to remedy this situation, and so tend to remove the reason for such bilateral arrangements as the deal with Southern Rhodesia.

TROPICAL PRODUCTS

LATIN AMERICA'S 1947 COFFEE EXPORTS SLIGHTLY LOWER

Preliminary data indicate that the volume of green coffee exported in 1947 from the 13 principal coffee-producing countries of the Western Hemisphere was slightly below exports for the previous year, but above the prewar average. During 1947, the 13 countries exported 24.5 million bags of coffee, compared with 25.3 million in 1946 and the 1935-39 average of 23.7 million bags. The dollar return for 1947 exports, however, was much greater than in 1946 as a result of higher coffee prices.

Exports to the United States of 18.3 million bags in 1947 show a drop of 6 percent compared to 1946 but an increase of 36 percent in comparison with the prewar average of 13.4 million bags. Exports to Europe during 1947 of 4.3 million bags were slightly higher than the 3.7 million bags exported in 1946. About 9 million bags of coffee were exported to Europe annually during the years 1935-39, which indicates slow progress in regaining this market. About 83 percent of the coffee going to Europe in 1947 was from Brazil, compared to 63 percent in prewar years. The relatively lower prices for Brazilian coffee may account for the increase.

GREEN COFFEE: Exports of principal American producing countries, calendar years 1946 and 1947

Destination	1946				1947a/			
	Brazil	Colombia	Other b/ America	Total	Brazil	Colombia	Other America	Total
	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags
U. S..........	10,947	5,246	3,292	19,485	9,745	4,983	3,541	18,269
Other Western Hemisp.	1,055	225	320	1,600	1,109	176	117	1,402
Europe........	3,019	190	504	3,713	3,570	163	547	4,280
All other.....	484	-	4	488	406	17	100	523
Total	15,505	5,661	4,120	25,286	14,830	5,339	4,305	24,474

a/ Preliminary. b/ Includes Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Haiti, Honduras, Mexico, Nicaragua, Peru, and Venezuela.

Source: Official statistics of exporting countries and Foreign Service reports.

LIVESTOCK AND ANIMAL PRODUCTS

(Continued from Page 470)

BELGIAN BUTTER PRICE SEEKS FREE MARKET LEVEL

The free market price of butter in Belgium steadied at about 83 cents per pound wholesale at the beginning of June, following several weeks of free trade of domestic butter and greatly increased rations of imported butter. The price at retail level averaged about 93 cents per pound. This steadying price followed several weeks of fluctuating prices, first to $1.29 a pound and then down to 73 cents a pound. This is about the first instance since the war in which butter prices have been allowed to seek approximately a free market level.

THE CURRENT ARGENTINE DAIRY SITUATION

During the fall season, milk flow in Argentina has remained normal due to ample rainfall and generally favorable weather. Pastures are in excellent condition, having an adequate amount of moisture in the soil to assure good grazing for the remainder of the winter. Milk production held up well until mid-May when a sharp change in temperature over the greater part of Argentina caused a marked decline.

Cheese production and exports continue to occupy a more favorable position than other dairy products. There are no price controls on cheese in local markets, whereas butter and fluid milk are subject to official price regulations. In addition, the Government still allows a preferential exchange rate for cheese, which is being extended. As a result, cheese producers will remain in an advantageous position to outbid other segments of the industry for the supply of fluid milk.

As a result of domestic price ceilings having been removed from cheese, prices have risen about 40 percent in the past few weeks and the industry has taken a sharp turn toward greater production. The tapering off of trade with Belgium has caused the producers to increase the production of hard cheese and cut down on softer types. Small quantities of Sardo cheese have been exported to the United States at the reported price of 33 cents per pound f.o.b. Buenos Aires.

Unofficial estimates of exports for February, March, and April indicate that Belgium was the most important taker of butter and cheese. The United States, United Kingdom, Germany, and Spain were the principal takers of casein. Exports of dried milk went largely to Spain. More recently, Switzerland and Italy, along with various Latin-American countries, have been reported as the principal takers of butter.

LATE NEWS

(Continued from Page 463)

It is usually accompanied by a seasonal decline in number of hogs fattened and slaughtered, and the net increase in meat supplies is not great. There is usually a seasonal decline in demand during warm weather, when large quantities of fruits and vegetables are available.

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The March 3, 1948 hog census of Germany records a total of 3,855,900 hogs in the Bi-Zonal area. This is the smallest number ever recorded for that area, representing 40 percent of the prewar (1935-39) average, 89 percent of 1946, and 91 percent of 1947. March numbers, however, always represent a seasonal low point.

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The high slaughter rate of cows in Belgium continues to be a disturbing factor in that country. Cow numbers are now 20 percent less than prewar and slaughter is continuing at about the prewar rate. This can be expected to result in further declines in dairy cattle numbers.

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